

# Utah State Building Board



## MEETING

August 3, 2000

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## MINUTES

### **Utah State Building Board Members in attendance:**

David Adams, Chair  
Keith Stepan, Vice Chair  
R. Haze Hunter  
Joseph Jenkins  
Kay Waxman

### **Utah State Building Board Members excused:**

Chuck Canfield  
Lynne Ward (Ex-Officio)

### **DFCM and Guests in attendance:**

Raylene Ireland	Department of Administrative Services
Richard E. Byfield, AIA	Division of Facilities Construction & Management
Robert Woodhead	Division of Facilities Construction & Management
Ken Nye	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Cheryl Searle	Division of Facilities Construction & Management
Kevin Walthers	Legislative Fiscal Analyst Office
Randa Bezzant	Governor's Office of Planning and Budget
Rep. Demar "Bud" Bowman	Utah State Legislature
Rep. Ray Short	Utah State Legislature
Rep. Brad Johnson	Utah State Legislature
Rep. Gerry Adair	Utah State Legislature
Rep. Loraine Pace	Utah State Legislature
Rep. Brent Goodfellow	Utah State Legislature
Gary Doxey	Governor's Office
Dennis Geary	College of Eastern Utah
Brad King	College of Eastern Utah
Dean Kashiwagi	Arizona State University
Tim Warren	Utah Department of Transportation
Lynn Samsel	Department of Human Services
Dave Cowley	Utah State University

Randy Turpin  
Col. Pete Wilson  
Brent Wallis Ogden/Weber ATC

University of Utah  
Utah National Guard

On Thursday, August 3, 2000, a regularly scheduled Utah State Building Board monthly meeting was held at the Great Basin Room, Sharwan Smith Center, Southern Utah University, Cedar City, Utah. Chairman David Adams called the meeting to order at 11:05a.m.

**☐ APPROVAL OF MINUTES.....**

**MOTION: Keith Stepan moved to approve the minutes of July 6, 2000. The motion was seconded by Haze Hunter.**

Joe Jenkins noted his motion to postpone the Ogden/Weber ATC for a month and hold the money in abeyance. Afterwards, Chairman Adams had spoke on consulting with the Department of Community and Economic Development (DCED) during the postponement.

Mr. Jenkins asked for clarification on where the statement was referenced in the minutes. Chairman Adams referenced page 14, second paragraph, where he requested the input of Kevin Walthers and DCED on the question of the public sector providing training versus the private sector. Chairman Adams felt this was part of the motion because it was discussed before the motion passed. There were no objections to including this as part of the motion.

**The motion passed unanimously.**

**☐ CAPITAL DEVELOPMENT POLICY.....**

Kent Beers had prepared further definition and a Matrix model on the presentation made by Kevin Walthers describing the concepts on ranking projects. Mr. Beers recalled there was some concern raised by Raylene Ireland, Director of the Department of Administrative Services (DAS), as to whether further liability would be incurred by the State if definitions such as emergency, catastrophic, or urgent were put upon certain projects.

Ms. Ireland withdrew her concerns and commented Alan Edwards of Risk Management and Bruce Garner, DAS Attorney, indicated the determinations were suitable and would give additional strength to the State invoking discretionary immunity in some projects. They were very supportive, however they suggested the Board consider removing the reference to catastrophic failure under the critical category.

Kent Beers stated at the last Board meeting there was considerable debate over the use of the term catastrophic versus emergency as being the exception to the normal ranking

of projects by the Board. The Board had determined to replace the term catastrophic need with emergency need to define a project caused by an extraordinary event causing the facility to be out of use. Projects would still be evaluated to determine if they met the threshold of being emergency, critical, urgent, important, or a future need.

Richard Byfield commented the State of Utah is self-insured and capital funding of emergency needs could be addressed through Risk Management after the occurrence. The insurance would help to rehabilitate and also raise the project status into the higher threshold within the Board's rankings. Kay Waxman identified catastrophic events would be treated with discretion, and in many cases, the Board would be primarily managing the project and not requesting money.

Keith Stepan confirmed there was a previous discussion within the Board as to whether the term catastrophic sent the wrong message and requested further clarification on Risk Management's concerns of the term. Raylene Ireland quoted Risk Management's letter

*We think that the description of the critical category should be modified to take out the reference to catastrophic failure since this document could become a jury exhibit. Less inflammatory language such as critical should receive immediate or heightened consideration should be developed."* Representative Adair urged that the Board not include the catastrophic term due to the potential legal ramifications. Chairman Adams stated the term would change from catastrophic to emergency on behalf of the requests of Risk Management and the Legislature.

Representative Ray Short cited the Code identifies emergency and critical as particular events occurring afterwards and funding is taken from the capital improvement fund. Kenneth Nye clarified the Board was referencing the prioritization of capital development projects and how they are viewed.

Chairman Adams referred to the Board's previous discussion of the benefits of assigning numerical values to prioritization projects. Kent Beers developed a Matrix for the allocation process of new capital improvements and capital developments and distributed the Matrix template identifying five possible categories to help the Board in ranking a project. An office project, a classroom project, and a prison were identified as project samples.

The first scenario recognized replacement space as a new facility replacing an existing facility. Mr. Beers posed sample numbers on the three facilities condition assessments on a zero through five system with five being the most critical and zero with the least merit for individual ranking or as a collective group. Facility function, tenant condition, projected growth, existing overcrowding, and cost effectiveness were posed as possible ranking categories, although the list could be endless. Mr. Beers simply felt the categories should

help the Board analyze projects and give each project a relative ranking as to some of the most critical issues to address. He asked the Board to discuss whether a tool like the Matrix would be useful and the types of rankings they wished to assign to various projects.

Chairman Adams commented this was the Board's first exposure to the Matrix and felt one of the key, critical issues was definition and guidelines and he suggested simplifying the process even more. Keith Stepan felt the Matrix was a good outline and suggested the Board contemplate additional categories as a basis of simplicity. He suggested many clients' use ADA issues as a reason to replace the building. Mr. Stepan suggested each Board member review the Matrix individually in preparation for finalization in September. Chairman Adams asked Kent Beers to develop further definitions and distribute them to the Board for discussion. Chairman Adams offered a teleconference might be appropriate.

Joe Jenkins felt the Matrix idea was valuable, but would be difficult to implement and would be cumbersome. The Matrix could serve as a tool to aid the Board as it reviews the buildings to note special items and tally the projects. Chairman Adams commented the Board is attempting to become more sophisticated in the selection process and obtain better information and questioned other possibilities to the Matrix. Kent Beers stated the Matrix was simply intended for the Board to determine if they wished to pursue the route. He would provide broad, all encompassing definitions if the Board wished to pursue that direction.

Chairman Adams asked that a more simplified Matrix be developed and distributed to the Board with proper time to review. He then asked that a teleconference be scheduled prior to the September 7 meeting. Board members will be contacted with a definite date of the teleconference.

**☐ LONG TERM LEASE FOR UDOT IN RICHFIELD .....**

Kenneth Nye stated UDOT acquired leased space to expand their office in Richfield. The landlord of the current leased building is willing to allow a minor addition and enter into a ten-year lease of the entire building. With the addition, the lease would increase to 14,600sf, with a slight increase in the lease rate to \$7.20/sf. Mr. Nye stated a motion was required from the Board due to the ten-year lease.

**MOTION: Haze Hunter moved to approve the ten-year lease for UDOT office building in Richfield. The motion was seconded by Keith Stepan.**

Chairman Adams asked for a caveat that a pre-set, negotiated out be included should UDOT wish to relocate during the ten-year time frame. Kenneth Nye acknowledged other agencies could potentially occupy the office space if UDOT wished to relocate but would pursue the option of an out.

**The motion passed unanimously.**

**☐ OGDEN/WEBER ATC DDO BUILDING REMODEL PROJECT .....**

Richard Byfield recalled the proposal of the Ogden/Weber ATC of which staff had since reviewed and reduced the price to \$724,200. DFCM also distributed a letter acquired from Ogden/Weber ATC stating no further requests would be presented concerning the DDO. The Ogden/Weber ATC was prepared to present the improvement dollar allocation previously held over by the Board.

Kevin Walthers referenced the letter stating Legislative approval was given for acquisition and the 2000 Legislature provided additional operating money specifically for the programs to be housed at the DDO. Granting approval of the requested project would maintain the spirit of Legislative intent. Any future large-scale projects at the DDO must pass through the development process and require prioritization by the State Office of Education and the Building Board, in order to gain serious consideration by the Legislature. Mr. Walthers noted the project is considerably more expensive than the Legislature anticipated, but the programs are supported by the Legislature and provide the spirit of applied technology education's direction.

Joe Jenkins was concerned with the increased estimates for renovation and noted costs were closer to \$100,000 when approved and were now at \$800,000. Mr. Walthers commented providing comparable facilities on the campus would cost between \$800,000 and \$10 million and obtaining the DDO would be the better value. Mr. Walthers emphasized the importance of economic development and this project was an economic development component to attract industry into that area. Chairman Adams requested a report from DCED addressing their opinion of the economic component. Mr. Beers stated the information was unavailable at the present time and offered to have the information available at the next meeting if the Board still desired.

Kent Beers identified DFCM had addressed the program approval process for new programs at ATC's, specifically if public tax dollars should be used to subsidize truck driving programs. DFCM found that new ATC programs must be approved by the Utah State Office of Education and the State Board for Applied Technology Education prior to courses being offered. Mr.

Beers also found there were no similar programs comparable to Ogden/Weber ATC's in Northern Utah being taught through publicly funded programs.

Mr. Beers reviewed the future build-out of the DDO facility and noted two existing bays not granted to the ATC. The Ogden/Weber ATC provided a letter to DFCM indicating they would not build-out bay two. All of the proposed build-out will occur in bay one, which is a 44,000sf facility, and would consist of 5,000sf classroom and office space to enable the truck driving classroom work and the material handling courses to relocate to the DDO site. To ensure the facility will not be built out beyond what is described, Superintendent Wallis signed a letter indicating he would not request capital improvement money if further build-out of bay one is required. Mr. Beers further commented that the scope of the project was revised to heat the building through a furnace system, which reduced the cost of the project by approximately \$100,000. The new request of \$724,200 would allow the ATC to occupy the 44,000sf in bay one at a cost of approximately \$16.46/sf.

Superintendent Wallis commented moving the classroom and lab space to the low cost area at the DDO would free up 20-25,000sf of valuable space at the campus. Making the space available for other growing technical programs aid in the cost effectiveness of the programs by not requiring the ATC to request additional capital development for the program areas. The DDO facility could adequately accommodate the needs of the programs for 30 years and place the ATC in the center of the economic development of the area and the major warehousing transportation hub in Northern Utah at less than \$20.00/sf.

Superintendent Wallis stated pursuing the other option of requesting a new building to accommodate the program is inconsistent with the ATC's campus capabilities. As the only operators in Northern Utah of an increasing truck driving and materials handling program, the ATC felt their proposal would be the best investment for the short and long-term needs of the programs and give economic benefit within the area. Representative Gerry Adair commented the training was beneficial for Northern Utah and the jobs from the programs generated incomes to supplement the tax dollars.

Chairman Adams asked for clarification on how the proposed project fit into the DFCM budgetary process for capital improvements and if the funds were already committed. He wanted assurance that if the project were approved, no other projects would be short-changed. Richard Byfield responded there were a few items within the original list of projects lacking a full scope of work or cost estimate and funding was held accordingly. Approximately \$100,000 would remain in available improvement dollars if the Board wished to allocate funding to the Ogden/Weber ATC.

Joe Jenkins expressed concern with not prioritizing projects to disperse the available improvement dollars and questioned if there were other pending projects with greater need. Kent Beers stated DFCM asked the Board to hold \$1.5 million until the Ogden/Weber ATC DDO and the Department of Human Services Slate Canyon Water Pipeline project could obtain a scope of work and cost estimates for a specific dollar amount. The scope of the Ogden/Weber ATC is now narrowed and a cost estimate is available and DFCM will present the Slate Canyon Water Pipeline project to the Board next month. There is sufficient funding for the Ogden/Weber ATC and the Slate Canyon Water Pipeline. The projects competed with the other projects throughout the State during the prioritization process and both were projects considered to be viable improvement projects needing to be addressed.

Richard Byfield stated the list of projects was not available to identify if the Ogden/Weber ATC was the higher priority on the list, given the increased cost and higher alternatives. Mr. Byfield offered to provide the improvement list to the Board to determine what was not funded in contrast to the project. Joe Jenkins indicated several projects were not funded and he questioned why they were not being funded. Mr. Jenkins suggested getting economic input from DCED before proceeding to aid the Building Board in its decision.

**MOTION: Joe Jenkins moved to table the project for an additional 30 days until a report from DCED could be obtained and the budget reviewed in relation to other projects. The motion was seconded by Kay Waxman. There were two ayes and three nays on the motion and the motion was dismissed.**

**MOTION: Haze Hunter moved to approve the \$724,200 for the Ogden/Weber Applied Technology Center. The motion was seconded by Keith Stepan. The motion passed with three ayes and two nays.**

Kay Waxman strongly agreed with Representative Adair and felt the project would generate tax dollars and the Board rarely had the opportunity to generate tax dollars within the projects. Chairman Adams noted Southern Utah used tax dollars to improve a facility for ATC training through efforts of Dixie College and suggested using similar methods if approached with the situation again. Kevin Walthers clarified that Southern Utah received funding from the Dixie Harmon's building remodel, as well as the Southwest ATC service region donation, some programmatic funding from the Legislative Public Education Appropriations Committee, and private funding. Mr. Walthers offered to identify the funding sources for the Board.

☐ **OTHER .....**

**MOTION: Joe Jenkins moved that a letter be prepared thanking Lt. Col. Pete Wilson and the Utah National Guard, as well as the other institutions, for providing the Board helicopters and the hospitality throughout the tours.**

Chairman Adams commented every aspect of the tours was superlative compared to prior tours. Chairman Adams asked Mr. Jenkins to prepare a list of his recommendations and submit it to Shannon Lofgreen.

**The motion was seconded by Keith Stepan and passed unanimously.**

Dr. Dean Kashiwagi updated the Board on the Performance Based Procurement System (PBPS) Program and the project results. Dr. Kashiwagi indicated he had consulted with the Program Directors with PBPS projects near completion and toured the University of Utah Village Center, of which he was extremely impressed. Dr. Kashiwagi noted the Bridgerland ATC project would be completed two weeks ahead of schedule. Lyle Knudsen had indicated the contractor was very receptive and quick to respond to suggestions without affecting the cost or schedule.

Dr. Kashiwagi indicated the PBPS process had been recently compiled onto a CD and the State of Hawaii was granted the opportunity to manage the semi-automated process and input the data. Dr. Kashiwagi felt several of the inconsistencies had been perfected.

Dr. Kashiwagi highly recommended the Board review the impact of the newly proposed system for the State of Utah being developed by the Task Force. He was especially concerned with having only ten references submitted and three contacted randomly. He proposed the result would be that every contractor would submit their best references and it would eliminate the motivation to go above and beyond the call of duty to raise the level of performance. He also questioned if the Board would be able to withstand the scrutiny of choosing a higher bidder. Dr. Kashiwagi suggested the subjectivity needed to be removed from the decision making process and allow it where it can't be gained for price. Otherwise it will go to a market system and the performance will be brought down.

Chairman Adams thanked Dr. Kashiwagi for his comments and noted the Task Force would be meeting on August 10, 2000 at 12:00pm in 4112 State Office Building. Chairman Adams asked all Board members to attend if possible.

Chairman Adams hoped the Task Force would be able to react to some of the concerns raised by Dr. Kashiwagi. He commented too much was expected too soon out of the previous

system, and had it been handled similar to the State of Hawaii, it may have had better results. The Task Force is working on developing a new, all encompassing program rather than a program that is adapted to the needs. He felt the A/E community needed to be brought into reign throughout the process, as they are the ones who have shown the most resistance, forcing the Board to take a different position.

Representative Adair referenced his change in position on bonding in the last year. The suggested the Board attempt to obtain half of the surplus to use in addition to other funding to attend to deferred maintenance and construction. Representative Brad Johnson agreed and stated his position was that more buildings could be built if the dollars were used to build buildings rather than in bonding and paying interest.

Chairman Adams' felt the Board should establish a continuum of general obligation bonds to support the building program and although there was a diversity of opinion, both sides had honorable intentions.

**□ ADJOURNMENT .....**

**MOTION: Keith Stepan moved to adjourn the meeting of the Utah State Building Board. The motion was seconded by Kay Waxman and passed unanimously.**

The meeting adjourned at 12:30pm.

*Minutes prepared by: Shannon Lofgreen*